

## CANADIAN NATIONAL RAILWAYS

## RETURNS FROM BRANCH LINES

Hon. Mr. DANDURAND: An inquiry was made yesterday, as to the earnings and expenditures of the Canadian National Railway Branch Lines. I have here a letter from the Deputy Minister, which reads as follows:

I have taken cognizance, from yesterday's Senate Debates, of Senator Ross' question as to a return of the earnings and expenditures of Canadian National branch lines.

I will communicate with the management and see whether it is possible to make such a return, and advise you at the earliest opportunity.

Yours very truly,

Geo. W. Yates,  
Assistant Deputy Minister.

Hon. Mr. McMEANS: There is something in connection with these railways about which I am very much at sea, and about which I think the country should know something. When the Canadian National Railways desire to raise money they issue their own bonds, and the Government endorses them. Does that charge appear in the annual account of the Government?

Hon. Mr. DANDURAND: I will not ask my honourable friend to put his question on the Order Paper, but I will secure an answer for him.

Hon. Mr. McMEANS: I thought probably the honourable gentleman could give me the information. As I understand it—I may be wrong—under the old system, when there was a deficit on the Canadian National Railways, it was paid out of current income during the year. Formerly we used to pay as much as \$70,000,000 a year. Now, I understand bonds are issued by the Canadian National Railways for any amount desired and the Government endorses them, and they are not taken into consideration as a debt of the country.

Hon. Mr. DANDURAND: My honourable friend is dealing with two questions. The first is the financing of the railway when it has a deficit. In times gone by, when a deficit occurred, it was the debt of the country; but now there is no deficit, so the question of financing to meet it does not exist. The question of bonds being issued on capital account for equipment, or for building branches, is a different matter. If my honourable friend is directing his question to the method of financing the expenditure on capital account, I would not like to answer him off-hand, but will obtain an answer from the Department.

Hon. Mr. McMEANS: I think my honourable friend is in error about the deficit. There has always been a deficit. There may not be a deficit on operating expenses, but there is on the payment of interest on the bonds.

Hon. W. B. ROSS: This matter was before Parliament three or four or five years ago, and the present Prime Minister explained the policy of the Government with regard to it. Those bonds are not charged as part of the ordinary annual expenditure of the Government; they are kept clear and are charged to capital account.

Hon. Mr. McMEANS: Are they charged to the liabilities of the country at all?

Hon. W. B. ROSS: My honourable friend may be able to get some information with regard to whether any part of the deficit is charged to earnings. I cannot see that it would be, because whatever the deficit is, there it stands.

Hon. Mr. McMEANS: Is it concealed?

Hon. W. B. ROSS: I would not say that. I thought at the time, and I still think, that the explanation given was a fairly good one. I was satisfied with it at the time.

## LIEUTENANT AIMÉ LAMOTHE

## MOTION FOR RETURN

Hon. Mr. TESSIER moved:

That an address do issue for a return of the file with regard to the request of Lieut. Aimé Lamothe of Quebec for a pension following his services at the front during the war, together with the evidence produced with the request and the decision taken by the Federal Board of Pension Commissioners.

The motion was agreed to.

Hon. Mr. DANDURAND: Although the motion has carried, I am not quite clear as to the principles that have been laid down in relation to the action of the Board, or whether Parliament has made any ruling on the propriety of producing that evidence before either Branch of Parliament. I will inquire as to the procedure that has been laid down or the regulations that have been made.

Hon. Mr. TESSIER: This is the ordinary way of securing information. I know very well that this young man enlisted as a soldier. He was promoted from the ranks during the war, and after being overseas three years he came back sick and incapacitated. He is still sick, and has been unable to get justice from the Board. I cannot blame the Board